NOVELLUS SYSTEMS REPORTS RESULTS FOR FIRST QUARTER 2002

NOVELLUS SYSTEMS REPORTS RESULTS FOR FIRST QUARTER 2002 SAN JOSE, Calif., April 15, 2002—Novellus Systems, Inc. (Nasdaq NM: NVLS) today reported results for its first quarter ended March 30, 2002. Net sales of $169.7 million were down 15.2 percent from $200.0 million for the fourth quarter of 2001, and down 63.0 percent from $458.7 million for the first quarter of 2001. Net income for the first quarter of 2002 was $3.8 million or $0.03 per fully diluted share. This represents a decrease of $13.3 million from the fourth quarter 2001 net income of $17.2 million or $0.12 per fully diluted share and a decrease of $78.3 million or 95.3 percent from first quarter 2001 net income of $82.1 million or $0.55 per fully diluted share (which included a one-time charge of $13.2 million for merger-related costs). During the first quarter of 2002, the Company recorded a net special benefit in the amount of $4.4 million. The net special benefit reflects the combined effect of a benefit for collection of amounts previously reserved, offset by severance payments in connection with a reduction in force. In addition, the Company recorded a $4.6 million gain on the sale of an investment, which is classified in other income. Excluding the one-time net special benefit and the gain on sale of an investment, on a pro forma basis, the Company recorded a net loss of $3.3 million or $(0.02) per basic share.

Shipments were $147.1 million in the first quarter of 2002 compared to $162.4 million in the fourth quarter of 2001, which represents a decline of 9.4 percent. Deferred revenue at the end of the first quarter of 2002 was $117.4 million.

Cash and short-term investments at March 30, 2002 were $1.964 billion, an increase of $80.6 million or 4.3 percent over fourth quarter 2001 balances.

Richard S. Hill, chairman and chief executive officer, said “The first quarter results were achieved because the semiconductor industry has begun to show improvement in capital spending. We are pleased to see improved bookings momentum in the first quarter, as orders strengthened after declining severely in 2001. In the first quarter of 2002, we achieved a bookings-to-shipments ratio greater than 1:1 for the first time since the quarter ended December 31, 2000.”

Additionally, Hill stated, “Exceeding our customers’ expectations is one of the key tenets of our corporate strategy, and in that regard, we are very proud to have been recognized by our customers for our performance. During the first quarter, Intel selected Novellus to receive their prestigious ‘Preferred Quality Supplier’ award for the year 2001. This represents the third time that Intel has awarded Novellus for excellence in delivering world-class products and services, which are deemed essential to Intel’s success. Novellus also received a ‘2001 Supplier Excellence Award’ from Texas Instruments (TI) in recognition of our advanced ALTUS® system’s low cost of ownership, excellent uptime and extendibility to future device generations. This marks the sixth ‘Supplier Excellence Award’ received from TI.”

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: The statements regarding (i) the beginning of improvement in semiconductor capital spending, (ii) improved bookings momentum and strengthening orders, (iii) Novellus’ strategy to exceed customers’ expectations, and (iv) recognition of our advanced ALTUS® system’s low cost of ownership, excellent uptime and extendibility to future device generations, as well as other matters discussed in the news release that are not purely historical data, are forward-looking statements. The forward-looking statements involve risks and uncertainties including, but not limited to, a possible reversal of bookings and slowdown in customer capital spending, or a slowdown in customer orders in response to overall economic conditions, ability to continue offering products with the lowest cost of ownership, excellent uptime, and extendibility to future device generations, and other risks indicated in filings with the Securities and Exchange Commission (SEC). Actual results could differ materially. Novellus assumes no obligation to update this information. For more details, please refer to Novellus’ SEC filings, including its most recent Annual Report on Form 10-K for the year ended 2001.

About Novellus Systems:

Novellus Systems Inc., an S&P 500 company, manufactures, markets and services advanced deposition and surface preparation equipment for today’s advanced integrated circuits. The company’s products are designed for high-volume production of advanced, leading-edge semiconductor devices at the lowest possible cost. Headquartered in San Jose, Calif., with subsidiaries throughout the United States as well as in the United Kingdom, France, Germany, The Netherlands, Ireland, Israel, Italy, India, China, Japan, Korea, Malaysia, Singapore and Taiwan, Novellus is a publicly traded company on the Nasdaq stock exchange (Nasdaq: NVLS) and is a component of the Nasdaq-100 Indexâ. Additional information about the company is available on Novellus’ home page at www.novellus.com

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